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UNCLAS SECTION 01 OF 02 ASUNCION 001154

SIPDIS

SENSITIVE

STATE PASS TO USAID LAC/AA  
SECDEF FOR OSD LTC DAN MCDONALD  
NSC FOR SUE CRONIN  
SOUTHCOM FOR POLAD DAN JOHNSON

E.O. 12958: N/A

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SUBJECT: PARAGUAY'S VICE PRESIDENT VISITS SENATE TO EXPLAIN  
SECDEF VISIT

REF: A. ASUNCION 1121

- [1](#)B. ASUNCION 1108
- [1](#)C. ASUNCION 1075
- [1](#)D. ASUNCION 1048
- [1](#)E. ASUNCION 1026
- [1](#)F. ASUNCION 1012

#### Summary

[1](#)1. (SBU) Summary: On 9/7, at the "invitation" of Senate President Carlos Filizzola (PPS), Vice President Luis Castiglioni explained to Senate leaders in closed session the reasons for the recent SECDEF visit to Paraguay. Castiglioni reiterated that there was no secret agenda behind the visit, such as plans to build a U.S. military base in Paraguay or to increase the number of U.S. troops participating in exercises here. He repeated his assessment that it is in Paraguay's interest to seek closer ties with countries such as the U.S. as a means to press Mercosur partners Brazil and Argentina for greater concessions. Castiglioni also clarified plans to open an FBI office in Asuncion. MEDRETES being conducted in rural areas of Paraguay are receiving excellent press coverage, which has helped improve public opinion regarding U.S.-Paraguayan military cooperation. Brazil's irritation is a positive added benefit in the eyes of many Paraguayans. End Summary.

#### Vice President "Invited" to Appear

[1](#)2. (SBU) At the insistence of the generally pro-U.S., center-right opposition Beloved Fatherland Party (PPQ) (ref B), Senate President Carlos Filizzola of the socialist Country in Solidarity Party (PPS) "invited" Vice President Luis Castiglioni to appear before the Senate to "explain" the reasons for the recent SECDEF visit to Paraguay and to clarify the GOP's position on Mercosur. After several days of public wrangling over the propriety of such an invitation, Castiglioni agreed to meet with Senate leaders in closed session. On 9/7, he met for two hours with Filizzola, the rest of the Senate leadership, Senators from the ruling Colorado Party (ANR) and PPQ, several dissident Liberal Party (PLRA) Senators, and the lone National Encounter Party (PEN) Senator.

[1](#)3. (SBU) Note: No Senators from imprisoned former general Lino Oviedo's National Union of Ethical Citizens (UNACE) or the main-line PLRA attended the session. The PLRA said it had other commitments. Despite calling for the session, PPQ Senators Ana Maria Mendoza de Acha and Arsenio Ocampos Velazquez left before the it ended, apparently because it went longer than expected. End Note.

#### No Secret Agenda

[1](#)4. (SBU) During the meeting, Castiglioni reiterated that there was no secret agenda behind the SECDEF visit, such as plans to build a U.S. military base in Paraguay or to increase the number of U.S. troops participating in exercises here. He also reiterated that the GOP did not plan to break ties with Venezuela or Cuba, despite U.S. concerns that Hugo Chavez and Fidel Castro were attempting to exert greater influence over the region (refs C, D, and E). As she left the session, Mendoza de Acha told the press that Castiglioni's explanation of the visit was "coherent," but that the secrecy in which the visit was shrouded left doubts in her mind as to whether Castiglioni was completely forthcoming. She added that PPQ would like a written report on the visit from the Vice President's office.

#### Irritated with Brazil and Argentina

[1](#)5. (SBU) Much of the discussion during and after the meeting focused on the GOP's position on Mercosur. Castiglioni stressed that Paraguay had no plans to abandon Mercosur, but that Brazil and Argentina's disregard for Paraguay's interests continued to irritate the GOP. (Comment: Castiglioni commented that Brazil and Argentina treated

Paraguay as if it were their "back yard," a criticism often directed at the U.S. End Comment.) Castiglioni repeated his assessment that it is in Paraguay's interest to seek closer ties with non-Mercosur countries as a means to press Brazil and Argentina for greater concessions, and stated that seeking closer ties with the U.S. was part of that strategy.

#### FBI Here to Help

16. (SBU) Castiglioni's recent announcement that the FBI would open an office in Asuncion led to further speculation and misinformed public debate about U.S. intentions in Paraguay and the region. During the 9/7 meeting, Castiglioni clarified that the FBI office would be part of the U.S. Embassy, and that Legal Attaches assigned to it would be here to advise and train Paraguayan law enforcement officers, as opposed to usurping Paraguayan authorities' police powers.

17. (SBU) Note: The DCM spoke to the press about this issue the same day, noting that Castiglioni requested that we establish a LEGATT office during his recent visit to Washington, for purposes of increasing cooperation on security matters and providing training for Paraguayan authorities. The DCM further noted that Brazil also has law enforcement officials attached to its embassy in Asuncion, and that such law enforcement liaison is normal. End Note.

#### MEDRETEs Having a Positive Effect

18. (SBU) U.S. military Medical Readiness and Training Exercises (MEDRETEs) being conducted in rural areas of Paraguay (refs A and F) are receiving excellent press coverage, due in large part to the efforts of the Embassy's Public Affairs Office (PAO). Coinciding with the VP's report to Congress, PAO arranged for dozens of journalists from the country's four major dailies and four television networks to cover the Ambassador's visit to a MEDRETE in the Department of Canindeyu in early August, and similar coverage of the DCM's visit to a MEDRETE in the Department of Caazapa in early September. Coverage of these successful exercises has generated positive public opinion regarding U.S.-Paraguayan military cooperation. As more people learn about the benefits MEDRETEs deliver to the country's rural poor, press reports and editorials are becoming increasingly positive, and those who continue to criticize our bilateral military cooperation are being put on the defensive. Brazil's clumsy objections have boomeranged, with many Paraguayans seeing Brazil's irritation as an added benefit.

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